

VZCZCXYZ0005  
RR RUEHWEB

DE RUEHGZ #2432/01 3530756  
ZNY CCCCC ZZH (CCY TEXT ON SECTION 02 - MSI1433 - AD5DCE67 - 555)  
R 190756Z DEC 06  
FM AMCONSUL GUANGZHOU  
TO RUEHC/SECSTATE WASHDC 5605  
INFO RUEHC/DEPT OF LABOR WASHDC  
RUEATRS/DEPT OF TREASURY WASHDC  
RUCPDOG/USDOC WASHDC  
RUEHOO/CHINA POSTS COLLECTIVE  
RUEHGV/USMISSION GENEVA 0436  
RUEAIIA/CIA WASHDC  
RUEKJCS/DIA WASHDC  
RHHMUNA/HQ USPACOM HONOLULU HI

C O N F I D E N T I A L GUANGZHOU 032432

SIPDIS

PACOM FOR FPA  
STATE FOR EAP/CM, DRL/IL  
STATE PASS USTR FOR STRATFORD, WINTER  
LABOR FOR ILAB NEWTON, LI ZHAO, SCHOEFFLE  
TREASURY FOR OASIA/ISA-DOHNER AND KOEPKE  
USDOC FOR 4420/ITA/MAC/MCQUEEN  
GENEVA FOR CHAMBERLIN

SIPDIS

C O R R E C T E D C O P Y - TEXT ON SECTION 02

E.O. 12958: DECL: 12/19/16  
TAGS: [ELAB](#) [PHUM](#) [EFIN](#) [PGOV](#) [SOCI](#) [CH](#)  
SUBJECT: Labor Conditions in the Pearl River Delta (Part 3  
of 3): NGO Efforts and Concerns

Ref: A) Guangzhou 32431; B) Guangzhou 32421; C) Guangzhou  
32364; D) Guangzhou 32233

11. (U) Classified by Consul General Robert Goldberg.  
Reason 1.4 (d).

12. (C) Summary: Pearl River Delta (PRD) labor conditions  
remain poor because many migrant workers are ignorant of  
their basic rights, too destitute to pursue complaints  
legally, are barred from receiving minimum wages and lack  
any effective government support, according to several NGOs  
in the area. As many as 100 labor NGOs have formed in the  
PRD over the past few years to address these issues. Such  
groups seldom coordinate with the government, or worse, are  
subject to intimidation and repression when they try to  
cooperate among themselves. This is the third of three  
cables on labor conditions in the PRD. End Summary.

Background  
-----

13. (C) This cable, the third of three cables on labor  
conditions in the Pearl River Delta (PRD), analyzes the  
role of labor NGOs, their assessment of government policies  
and the pressures they face. Tang Jingling (protect),  
formerly of China Labor Watch, has estimated the PRD has  
about 100 NGOs (both large and small), with 70 percent of  
them based in Shenzhen. These groups formed to fill a void  
in worker's legal education and protection. The groups and  
people active in the PRD are diverse in their intentions  
and activities. Among them are:

-- Liu Kaiming (protect), from the Shenzhen-based Institute  
of Contemporary Observation (ICO), which is dedicated to  
auditing factories (over 1,000 so far) and providing worker  
training sessions. In March 2004 the ICO started a Migrant  
Worker Community College, which teaches basic computer  
skills, English, health care and labor rights.

-- Li Weizhong (protect), from the New York-based China

Labor Watch (CLW), which distributes small labor rights leaflets with stories of other migrant workers, basic labor law information and telephone numbers of PRD NGOs.

-- Jing Xiang (protect), leader of the Friends of Workers Service Center (FWSC), a Guangzhou-based group and PAS small grant recipient, which conducts lectures with university students from various Guangzhou universities about the hardships of migrant workers.

-- Zhou Litai (protect) provides pro bono legal services to migrant workers. Since 1996, his law offices (in Chongqing and Shenzhen) have processed 6,000 cases. The goal of the organization is to promote legal rights awareness and increase labor legislation in Shenzhen.

-- Wei Wei (protect), leader of "Little Bird" (Xiao Xiao Niao) a large NGO with offices in Beijing and Shenzhen (and soon Shenyang), with about 100 lawyers providing legal advice to workers through a telephone hotline.

-- Zeng Feiyang (protect), leader of the Migrant Workers Documentation Center (MWDC, considered one of the PRD's first labor NGOs), focuses on life skills training for workers such as labor rights law, Cantonese and English skills and computer skills. Zeng was a 2003 participant of the International Visitors Program.

#### Poor Understanding of Labor Rights

-----

¶4. (C) Virtually all of the labor NGO's agree that migrant workers have a poor of their labor rights. Many groups, such as CLW, provide free labor rights training to workers on weekends to enhance understanding of their rights.

Congenoff witnessed one of these training sessions focused on overtime wages. Many of the workers were unaware how much overtime pay they should legally receive (if at all). FWSC's Jing Xiang said that other important topics for training include arbitration, contracts and work injury insurance. Unfortunately, the number of workers attending such sessions is often limited because many are too tired to attend during their free time.

¶5. (C) A group of migrant workers who had attended CLW's training session told Congenoff that they found training on overtime wages and social insurance to be the most useful. The workers had many questions about the U.S. labor system and labor unions. Nevertheless, some workers who had been to multiple sessions said they still needed advanced legal advice.

#### Arbitration/Legal Representation

-----

¶6. (C) CLW's Li Weizhong complained that even if migrant workers receive rights training, they still need help taking their case through the complex legal channels of China's labor complaint system. According to China's Labor Law, there are three steps in the labor complaint system: mediation, arbitration and lawsuits. First, the worker must apply to the labor dispute mediation committee of their work unit for mediation. If the worker is dissatisfied with the mediation outcome, he must apply to the labor dispute arbitration committee for arbitration. The document must be hand written by the complaining worker, with no mistakes in the written Chinese. Such a task can be particularly difficult for a worker with a hand injury or missing limb. The arbitration committee is typically expected to make a decision within 60 days from the date of receiving the application. If the worker is still dissatisfied, he has 15 days after the date of the arbitration decision to bring a lawsuit to court.

¶7. (C) Many labor NGOs said this process is too long for poor, uneducated workers. Thus legal activists, such as Zhou Litai, provide much-needed legal services. Zhou said

his cases most frequently involve issues of industrial injury compensation (Zhou said coal mines, battery factories and shoe factories had the highest number of injuries), social security, unpaid wages and government officials who are corrupt, malfeasant or arbitrary. Zhou said that few lawyers are willing to take on migrant worker cases because, even if they win the suit, the compensation claims are small and the arbitration process is time consuming. Moreover, after winning some suits, Zhou complained that migrant workers have been known to leave the city and not pay him any fee - he says he is owed at least 1 million RMB (USD 125,000) in such fees.

#### Minimum Wage Criticism

-----

¶8. (SBU) The Guangdong government recently increased the monthly minimum wage for cities throughout the PRD (ref B). Nevertheless, many NGOs are skeptical the change will have a tangible effect. Liu Kaiming recently said at a conference that the PRD's minimum wages have historically not kept up with the rise in average wages. According to Liu minimum wages globally are between 40-60 percent of a region's average wage, while Shenzhen and Guangzhou's minimum wages are only 18 and 20 percent of the average wage. The average monthly minimum wage for workers in the PRD increased by only 68 RMB (USD 8.5) between 1992 and ¶2004. In a recent survey of 300 factories, the ICO found 50 percent of workers received the minimum wage, 30 percent did not, and 20 percent received wages higher than the minimum (ref D).

¶9. (C) Little Bird's Wei Wei said that even if a worker receives the minimum monthly wage required in Shenzhen (RMB 810, USD 101.25), roughly RMB 120 (USD 15) is typically taken away for food and housing expenses. Moreover, Wei said that "no company pays all of the overtime, especially for weekends and holiday work" (Note: Weekend overtime should be 200 percent of normal wages and holiday work should be 300 percent of the norm. End note.). Wei noted that two of the PRD's largest employers, Huawei and Foxconn, only paid overtime to their middle managers.

#### Inadequate Labor Policies

-----

¶10. (C) In general, labor NGOs are very cynical about government efforts to fight labor violations. Almost all of the labor NGO leaders interviewed said they could not think of a single effective government policy in promoting workers' rights. Moreover, volunteers from Little Bird told Congenoff of collusion between officials and factory managers. One of the Little Bird employees, who had previously worked at Foxconn, said that managers used to joke to one another before having dinner with labor officials that they were "going to corruption" (qu fubai). Little Bird's Wei also complained that inadequate labor statistics make it difficult to track labor violators. Some NGOs said, however, that the labor situation had "improved slightly" from a few years ago. For example, in the past workers had no idea of the need for health and social welfare insurance. Today, Little Bird's advice hotline receives many calls from workers asking about what kind of insurance to buy.

#### Government Pressure

-----

¶11. (C) In late 2006, government officials appear to have become more concerned about the activities of labor groups, particularly regarding collective protest. In addition to the recent investigation and confiscation of computers from 12 Shenzhen-based NGOs (ref C), the Public Security Bureau (PSB) has also pressured MWDC's Zeng Feiyang and FWSC's Jing Xiang. Zeng Feiyang told Congenoff he was questioned by local Public Security Bureau (PSB) officers about whether he had joined the petition campaign to eliminate

the RMB 500 minimum arbitration fee. Additionally, on several occasions Zeng has asked the Consulate to discuss with the Civil Affairs Bureau the poor treatment of labor NGOs. In a recent interview with the Guangzhou-based Xinkuaibao newspaper, Zeng said, "some people think that NGOs are opposing the government. This is a misunderstanding. Our goal is to relieve social conflicts and promote harmonious development. We are a constructive and useful supplement to the government's work."

¶12. (C) Jing Xiang said that two PSB officers questioned him on November 7, two days before the investigations of the 12 Shenzhen NGOs began. The PSB officers wanted to know about Jing's affiliation with Consulate Guangzhou and his NGO's activities. Additionally, Jing said the PSB wanted him to provide intelligence about the Consulate's activities. Jing believes the PSB has been actively trying to infiltrate NGOs for the past few years, and may already be working inside some groups.

Comment

-----

¶13. (C) Despite the suspicion of NGOs, many honest PRD labor officials are working to improve migrant workers' rights. The problem is that NGOs and government groups have traditionally distrusted one another, particularly as a consequence of China's fears of "color revolutions". The government is especially suspicious of attempts by NGOs to coordinate among themselves. At the heart of the PRD's labor problems is the lack of the rule of law. For example,

the increase in minimum wages in various cities could potentially raise the standard of living for migrant workers. Nevertheless, blatant wage arrears or administrative deceit (for example, withholding wages for housing and food) is preventing countless workers from receiving their proper wages. Another example - where NGO and government cooperation could actually be very effective - is labor rights knowledge. As demonstrated recently in Shenzhen, the government also represses groups that are legally petitioning on behalf of workers.

GOLDBERG